1.23 National Association of Television Program Executives (NATPE)

When television programmers formed their own professional organization in 1962, they called themselves the National Association of Television Program Executives (NATPE)—tacitly acknowledging that membership would be dominated by general managers and other executives who play more important programming roles than those specifically designated as programmers. Although programmers may track the performance of programs and come up with the ideas for new purchases, the executives are the ones who authorize the money—and make no mistake, programs are enormously expensive, running into the tens and hundreds of millions in large markets just to rerun off-network hits.

The broadcast station programming team usually consists of the general manager, sales manager and program manager. In cable organizations, the executive in charge of marketing plays a key management role and may have the most influence on programming decisions. In recent years, the role of program manager at many network affiliates has diminished as higher-level staff members frequently make programming decisions.

Syndicators put programs on display nationally and internationally at a number of annual meetings and trade shows. For showcases, they rely especially on the annual conventions of NATPE and the National Cable Television Association (NCTA) held each spring. Starting in 2003, NATPE faced some competition from the Syndicated Network Television Association (SNTA), which meets in New York in conjunction with the Association of National Advertisers (ANA) that every year holds its well-regarded Television Advertising Forum.

At the annual NATPE conventions, hundreds of syndicators fight for the attention of television programming executives, offering a huge array of feature films (singly and in packages), made-for-TV movies, off-network series, first-run series, specials, miniseries, documentaries, docudramas, news services, game shows, cartoons, variety shows, soap operas, sports shows, concerts, talk shows and so on. Trade publications carry lists of exhibitors and their offerings at the time of the conventions. (Chapter 6 gives a selection of syndicators along with examples of their offerings.) At the same time, the largest portion of sessions at recent NATPE conferences has been dedicated to the new media, but the attendees were largely new-media companies and content producers seeking ideas about how to gain distribution.

One industry source estimated that 90 percent of NATPE attendees continued to be focused on the traditional buying and selling of programs, while 10 percent were focused on the new media. Europe has a similar annual program trade fair, MIPTV. Formerly at that fair, the flow of commercial syndicated programming between the United States and other countries ran almost exclusively from the United States.

Public broadcasting first whetted American viewers' appetites for foreign programs. And with such specialized cable services as the Discovery Channel, featuring foreign documentaries, and Bravo, with foreign dramatic offerings, as well as AZN Television's Asian programs, and Univision's Mexican and Spanish programs, the international flow has become somewhat more reciprocal, although the United States is still much more often an exporter than an importer. Just as at the NATPE conventions, there is great interest at the MIPTV trade fair in innovation and new digital media.

in a station's service area and to offer programs dealing with those problems. In licensing and license renewals, the FCC gives preferential points for local ownership, owner participation in management and program plans tailored to local needs. However, localism seems to be getting less and less emphasis. Moreover, cable operators are not licensed by the FCC and so have no such federal public-interest mandate, and as a result, cable programmers differ fundamentally in their programming outlook from traditional broadcast programmers.

Nonetheless, increased competition for audiences now drives local broadcasters and cable operators toward increased localism. In many cases, localism has boosted the financial return for those stations with a long, honorable history of community orientation. It is good business to serve the community, not merely a requirement. On the other hand, economic forces lead to giant corporations for whom localism gets more lip service than action.

Copyright

With the exceptions of news, public-affairs and local productions, all owned programs entail the payment of royalties to copyright owners—whether broadcast, carried by cable, or distributed over the internet. (Of course, user-supplied content such as on YouTube only necessitates royalty payments when replayed on commercial services.) Programmers should understand how the copyright royalty system works, how users of copyrighted material negotiate licenses from distributors to use such material, and what limitations on program use the copyright law entails.

Broadcast stations and networks usually obtain blanket licenses for music from copyright licensing organizations, which give licensees the right to unlimited plays of all the music in their catalogs (in programs, promos or song play). For the rights to individual programs and films, users usually obtain licenses authorizing a limited number of performances (plays) over a stipulated time period. One of the programmer's arts is to schedule the repeat plays at strategic intervals to get the best mileage possible out of the product.

Stations and networks obtain licenses for the materials they broadcast, with fees calculated on the basis of their over-the-air coverage, but cable television systems have introduced a new and exceedingly controversial element into copyright licensing. Importation of distant signals have stretched the original single-market program license to include hundreds of unrelated markets all across the country—to the obvious detriment of copyright owners (the producers), the ones who stand to make money from the reuse of their programs. The Copyright Law of 1976 took at stab at solving this problem by introducing the compulsory licensing of cable companies that retransmit television station signals. It provided retransmission compensation to the copyright owners in the form of a percentage of cable companies' revenues that went directly to the Copyright Royalty Tribunal for distribution (mostly to sports rights holders).

The Cable Act of 1992 went further and insisted that cable systems receive *retransmission consent* from broadcast stations for their signals, which led some to believe that cable operators would finally pay broadcasters for retransmission. The issue seemed largely resolved when most affiliates of major television networks made deals with cable operators for a second local cable channel in lieu of cash payment.

In 2007, however, several small cable operators agreed to pay the CBS network a per-subscriber fee (*cable compensation*) for the right to carry its programming, a break-through for broadcasters. Although the initial amount was small (about $.50 per subscriber), the deal set a new precedent in cable/broadcast relations that gave broadcasters leverage in eventually gaining a second revenue stream (in addition to advertising), something long desired by broadcasters and, until then, adamantly refused by cable operators (more on this topic in Chapter 3). Nowadays, periodic battles erupt between broadcasters and cable MVPDs, threatening the loss of favorite programs or, horrors, a football game in one or another market until negotiated settlements are is reached. Chapter 2 deals more with this hot topic. The hungrier broadcasters get, the more they become anxious to share the subscriber dollars going to MVPDs.

A related copyright matter, the *syndicated exclusivity rule*, often called **syndex**, gives television stations local protection from the competition of signals from distant stations (notably superstations) imported by cable systems. The rule is based on the long-held principle that a station licensed to broadcast a given syndicated program has normally paid for exclusive rights to broadcast that program within its established market area. Satellite retransmission of certain stations (the half-dozen superstations) undermines this market-specific definition of licensing and divides audiences. The rule requires cable systems to black out imported programs that duplicate the same programs broadcast locally. Most syndicators avoid selling their shows to superstations in order to make the shows "syndex-proof."

Lotteries, Fraud, Obscenity, Indecency

Federal laws generally forbid lotteries, fraud and obscenity, and laws regarding them apply to locally originated cable as well as to broadcast programs. Conducting gaming and cheating audiences are definitely forbidden activities, and the fines are prohibitive. Shows that feature state-run lotteries, however, are an exception to the rule. If a state says stations can air the state lottery, the FCC doesn't care, but stations cannot run their own lotteries to make money. Programmers also need to be aware of special Communications Act provisions regarding fraudulent contests, plugola and payola (see Chapters 11 and 12).

Indecency, a specialized interpretation of obscenity laws, appears to apply only to broadcasting. The 1984 Cable Act sets specific penalties for transmitting "any matter which is obscene or otherwise not protected by the Constitution" (Section 639), but subsequent Supreme Court decisions affirmed that cable operators qualify for First Amendment protection of their speech freedom, as does the internet. This puts on those alleging obscenity the heavy burden of proving the unconstitutionality of material to which they object; in fact, several court decisions have overthrown too-inclusive obscenity provisions in municipal franchises. In practice, MVPDs have greater freedom to offend the sensibilities of their more straitlaced viewers than do broadcasters, whose wider reach and dependence on the "public airwaves" (electromagnetic spectrum) make them more vulnerable to public pressure. For some years, Congress has shown signs of tightening the restrictions on cable, including restrictions on nudity.

In a 1987 ruling, the FCC broadened the previous definition of prohibited words in broadcasting to cover indecency. That definition had been based on a 1973 case involving the notorious "seven dirty words" used by comedian George Carlin in a recorded comedy routine broadcast by WBAI-FM in New York. Responding to complaints about raunchy talk-radio hosts (shock jocks), the FCC has repeatedly advised broadcasters that censorable indecent language could include anything that "depicts or describes, in terms patently offensive as measured by contemporary community standards for the broadcast medium, sexual and excretory activities or organs." Raunchy radio content from Howard Stern led the FCC to levy a $1.7 million fine on his syndicator (see Chapter 12), eventually driving Stern to unregulated satellite radio. The increase in number and size of indecency fines that started in 2004 hastened the migration of most adult radio programming to Sirius XM. By the late 2000s, pressure on stations to excise certain indecent words from programming seemed ironic—given that the U.S. president and other elected officials had publicly used some of them.

Moreover, the FCC has designated late night as a safe harbor on television and radio for adult material. It is noteworthy that in this designation the commission used the words for the broadcast medium, implying that broadcasting should be treated differently from other media, a concept out of keeping with much FCC-sponsored deregulation. Thus, cable networks feel free to schedule dramas at 7 or 8 P.M. that most broadcasters would only air at 10 P.M.

Libel

News, public-affairs programs, and radio talk shows in particular run the risk of inviting libel suits. Because of their watchdog role and the protection afforded them by the First Amendment, the media enjoy immunity from punishment for libel resulting from honest errors in reporting and commentary on public figures. Unlike on the internet, broadcasters must take due care, however, to avoid giving rise to charges of malice or "reckless disregard for the truth."

Though the media traditionally had won most libel cases brought against them, by the early 1990s this trend had been reversed, and juries awarded huge fines. Moreover, win or lose, it costs megadollars to defend cases in court. Managers responsible for news departments and radio talk shows need to be aware of libel pitfalls and to institute defensive routines. These defenses include issuing clear-cut guidelines, ensuring suitable review of editing, and excising libelous matter from promotional and other incidental material. To assist local programmers, the National Association of Broadcasters (NAB) has issued a video that illustrates some of the common ways news programs inadvertently open themselves to libel suits.

Digital Must-Carry

Since the late 1990s, the FCC has pushed for conversion of all U.S. television households to digital reception both to foster efficiency and to release the traditional over-the-air (analog) channels for reassignment to Wi-Fi, mobile telephony, and other uses. A 2006 Geneva agreement set 2015 as the world switch-off date, after which no country need protect the analog signals in adjacent countries, and most countries have moved swiftly to convert. As of 2012 about 92 percent of U.S. households had converted, and the process went even more swiftly in Europe where the EU mandated switch-off at the end of 2012. The rise of 4G smartphones and tablets puts even more pressure on the system to free up spectrum.

The FCC's fundamental must-carry rules require cable companies to carry all locally-licensed television stations, and the HD regulations require carriage in the station's originating format (HD in most cases), while also providing a non-HD digital signal for subscribers without HD equipment. These rules explain the very long repetitive lists of channels each cable operator provides. What will happen, and how fast, with 3D is an open question, but when 3D becomes commonplace for stations, the must-carry rules are likely to apply.

However, splinter signals from a station do not have must-carry protection. Moreover, broadcast networks cannot charge cable companies license fees unless retransmission consent agreements have been reached instead of must-carry. As already mentioned, such negotiations have led big cable operators to hold specific signals hostage temporarily (such as cutting football games or a network's entire signal) until fee agreements are reached.

Ethical Influences

Programmers continually wrestle with standards. They are not necessarily questions of media freedom but of taste. What is good taste? Like anything else, the definition depends on a consensus of the people who have to live with the definition.

Over a period of time, the erosion of public taste standards has mirrored the erosion of other aspects of public life (such as manners). Viewers might be more offended if television were the only culprit, but it is increasingly impractical to expect to be able to take a walk in the mall or go for a drive on the highway without being assaulted by someone's "free speech" in the form of a lewd T-shirt or scatological bumper sticker. In the process, the public consensus about "what is shocking" impinges on "what is good taste." Some viewers will defend a program with violent or sexual content by saying, "You think Show A is bad. It's not nearly as bad as Show B." Show A becomes the standard, and Show B is the exception, until Show C comes along. Then Show B becomes the new standard, and Show C the new exception.

The ever-widening spiral may not be rapid, but there seems to be a steady broadening of what is acceptable. Programmers are caught between the expectations of one audience that wants "in your face" entertainment and the complaints from another audience that struggles to hold onto civility. A minority of producers (and their networks) go for shock value and try to lower the standards one small notch at a time. Like the drops of limestone slowly accumulating on the floor of a cavern until a stalagmite forms, the amount of impolite language and situations has grown into high peaks in some programs on evening television, especially late-night shows. The exposed right breast of Janet Jackson in Super Bowl 2004's halftime show apparently was the final straw for the FCC, which immediately began to reassert its regulations against indecent programming, as it does periodically.

Not everyone agrees there is a problem with program standards. Here is a look at the arguments currently in vogue when the topic of ethical standards is discussed.

"It's just entertainment." The public derives its values from such institutions as family, schools, churches and the mass media, but as the authority of families, schools and churches declines, the content of radio and television programs takes on a larger role in the socialization of young people.

"If you don't like it, turn it off." True, but I can turn off only my own television set. My neighbors' kids will still be intoxicated by the violence in afternoon children's programs. They will also learn from prime-time television and soap operas that it's all right to be promiscuous. The cultural values of a nation are not wired to my individual ability to shut off my set. If someone poisoned all the drinking water in my area, you might say, "If you don't like it, don't drink it." I guess I could buy bottled water, but I have to live in the same society that my neighbors' children inhabit.

"Parents have the responsibility to monitor programming." This argument rarely comes from a parent, unless it's a parent who works as an executive at one of the broadcast networks. Anyone who thinks this will work is overly wishful. Children will see what they want to see if it is readily available at a friend's house, their daycare center, the mall or other group viewing locations. One person who has some control over the ready availability of seamy programming is the programmer.

"Censorship, even voluntary censorship, violates First Amendment rights." The Bill of Rights has 10 amendments, but somehow the first gets all the attention, perhaps because the media readily control what gets our attention. A lot of other freedoms are equally precious to the well-being of citizens, such as the right to a fair trial. The community standards of the present age would easily shock the framers of the Constitution.

A drinking water analogy is apt. If a very slow poison is released into the water supply and results in amoral, uninformed residents, then the culprits are those who work for the treatment plant. Likewise, those who choose and schedule programs for radio and television have the means to maintain some level of decency in the mass media.

How did things get so out of whack? When there were only three networks, the Standards and Practices departments held a pretty tight rein, but when pay movies and MTV came along, the competition for audiences heated up. Certainly, the most egregious examples of sex and violence come from movies and music videos, yet some viewers want still more adult content. The slow erosion of civil public behavior also affects media limits, but the amounts of sexual and violent content are merely surface issues. What matters are deeper concerns about how people in society learn to solve problems and get along in spite of differences.

The Pressures and Pulls

Well into this new millennium, the landscape of television continues to undergo a sea change, and you have to ride on it or with it. Currently, the industry pressures consumers to *switch from digital to high definition*. While broadcasting remains the largest and most powerful advertising medium, the new media check its growth.

The Federal Communications Commission has indicated that over the coming decades, *broadcasting will be replaced by broadband*. Eventually, *media entertainment may go entirely wireless*, replacing both broadcasting and cable (including most satellite transmissions). And some new technology will eventually replace the Wi-Fi of today, perhaps internet signals carried by light fixtures that fluctuate below our visibility. Magic, huh? Certainly more upheaval in the communications business world lies ahead.

Instead of a wealth of free programming, *all entertainment content may eventually require some form of pay*. We are evolving toward paying once for access to a movie or television program on any and all media devices. But there's a long way to go.

At this time, the strategy for the traditional media seems to be "if you can't beat them, buy them." In essence, a single company must program at least two versions of itself—one in broadcast (or cable) and one in broadband. In addition to online services, programs with ads now appear on cell phones and tablets, and Americans own nearly as many cell phones as television sets (and the Japanese seem to own more tablets than laptops). Indeed, worldwide, there are far more cell phones than television sets. Because the spread of advertising to multiple media threatens the traditional financial model of broadcasting, the big companies have bought, merged and developed their way into all aspects of media, becoming media giants with fingers in a wide range of media pies.

Influences work both ways: Although viewers quickly noticed that broadcast television adopted many features of computer screen displays, particularly in newscasts and sports, ironically, the current online world is growing to look more like the broadcast world. A cluttered screen doesn't work well on a cell phone.

Notes

1. Several narrative series have had another characteristic: Not only do individual episodes have ends, the entire serial concludes after some years, such as *Lost* and *24* and for telenovelas. This limited format has moved to cable channels such as Syfy, with series such as *Stargate Universe* and *Andromeda* that run to a conclusion.

2. Bill Carter, "MEDIA; TV's Loneliest Night of the Week Is Starting to Look Very Familiar." *New York Times*, June 21, 2004. *www.NYTimes.com/*

3. J. G. Webster, P. F. Phalen and L. W. Lichty. *Ratings analysis: The theory and practice of audience research*, 3rd ed. Mahwah, NJ: Erlbaum, 2006.

PART

2

Frameworks for Media Programming

Part Two Outline

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CHAPTER

2

Prime-Time Network Programming Strategies

William J. Adams and Susan Tyler Eastman

Chapter Outline

A chapter on prime-time network programming in this day and age! To many of you it must seem like a manual for the proverbial rearrangement of deck chairs aboard the Titanic—after it hit the iceberg and has sunk up to its deck. In the last half-decade, the broadcast networks (Six English-language now according to Nielsen) lost over half the audience they had and now have prime-time ratings that are the equivalent of those of the better cable networks. In 2009 both *Broadcasting & Cable* and *Variety* stopped publishing weekly ratings, probably because they were so embarrassing to the networks. Nonetheless, despite the shrinking size of network audiences, prime time still matters a great deal to a lot of people.

The ABC, CBS, FOX and NBC television networks are the most recognizable parts of their parent corporations although not the most profitable segments. They haven't been that for a long time. But even today they serve three key functions. First, the networks often act as *loss leaders* drawing attention to the programs and stars, despite being outdone in profits by owned stations (O&Os), cable networks, theme parks, publishing and other commercial interests. Second, they are systems for *cross-promoting* these other less visible corporate counterparts. Third, it can be argued that until recently the major networks' advertising and entertainment roles were most useful because they deflected criticism from other aspects of the company business. The TV networks act as magnets for people who want something to complain about—and noise about actors and TV shows limits potentially negative stories related to other corporate interests.

All roles have weakened, however, in the last few years. ABC, CBS and NBC's ability to generate and control news related to their corporate businesses diminished very fast once FOX's cable news, the internet and talk radio broke their collective voice monopoly (of course, a bad smell surrounds FOX's parent company for the goings-on in London). Nowadays, there is plenty of chatter about every success and every blunder made by any of the networks, sometimes with political and economic ramifications.

On the positive side, the networks represent brand names that are known around the world. The CW and MyTVNetwork, the newer English-language networks, strive to catch up with the established entities, just as the Spanish-language networks Telemundo and TeleFutura strive to catch up with front-runner Univision. Moreover, because network audience sizes have plunged in recent years, major changes in how the traditional networks select, schedule and evaluate programs have occurred, the focus of this chapter.

Blurring the Boundaries

During the last few years the separation between the five top media companies has begun to blur. This started when CBS and Time Warner partnered, turning the WB and UPN into the CW, thus also giving CBS access to Warner Brothers productions. Viacom owns Paramount and once owned CBS, and while officially Viacom and CBS are separate companies, they still share the same chairman and several other board members. Disney and ABC are wholly enmeshed, and Comcast, with its dozens of cable networks, now controls NBC.

At the same time, several networks have launched such joint online ventures as Hulu (see Chapter 4). It is owned by Disney, News Corp and Comcast/NBCUniversal. In 2011, Warner Brothers purchased Flixster and Rotten Tomatoes, thus giving it an outlet equal to Hulu. Warner Brothers plans to introduce a system that will allow videos downloaded on Flixster to be saved so that they, like DVDs, can be viewed at any time. How much they'll charge for this service and whether CBS will be a favored participant is unknown, but just the suggestion was enough to send Disney and Apple into fits. The takeover of Rotten Tomatoes seems odd as this site does not offer videos. It reviews films, and people were openly wondering just how valuable those reviews would now be when one of the producers of those films owned the site.

Regardless of what one may think about all this merging, it will continue. Even as you read this, the

Big Five are negotiating still other joint agreements in the areas of production and distribution. Broadcasting's survival in the face of Netflix and other internet innovations, while still facing the threat of rising cable audiences, necessitates new relationships among competitors.

Prime Hours

Of the more than 50,000 hours the nine broadcast networks program yearly, about one-quarter is singled out for special critical attention—the nearly 170 hours of commercial prime-time programming each week. That figure, multiplied by 52 weeks, equals more than 8,800 hours of prime-time network programs a year provided collectively by ABC, CBS, NBC, FOX, UNI, CW, MNTV, TEL (Telemundo) and TEF (TeleFutura).

Audience ratings throughout the day are important, of course, but prime-time ratings are the ones everyone takes note of, especially those of the Big Five (ABC, CBS, FOX, NBC and Univision). *The 22 prime-time hours—from 8 to 11 P.M. (EST) six days each week and from 7 to 11 P.M. on Sundays—constitute the center ring for the traditional networks, the arena in which their mettle is tested.* FOX programs 15 hours on seven nights of the week, competing head-to-head with the older networks. CW programs 13 hours (avoiding Saturdays), and MNTV programs 10 hours, dodging both Saturdays and Sundays. Univision fills 28 hours weekly, starting at 7 and running until 11 P.M.; some of this programming is duplicated on TeleFutura. Telemundo programs all of prime time but not necessarily with original content. (Filled with a mix of original production and syndicated Mexican and South American programs, Univision nonetheless beats all competition in some markets.)

Prime-time programs are the traditional source of virtually all off-network, online and much foreign syndication plus DVD, tablet and smart phone sales, and in consequence, remain the centers of long-term profit potential. Also, while the rating difference between prime-time and non-prime-time periods may not be as large as it once was, prime time is still the most heavily promoted and most talked about part of any schedule. It remains the focus of critical and regulatory concern. The prime hours make or break a network's reputation and continue to be the most visible part of an entertainment corporation's businesses (see 2.1).

2.1 Original Programming's Role

The major difference between the broadcast networks and cable networks has long been the amount of *original programming* used. The top five broadcast networks (ABC, CBS, FOX, NBC, UNI) have it throughout their schedules. While the cable networks generally have original shows in only a portion of their schedules, there are so many cable networks that the amount of original programming available for off-network syndication coming from cable now almost equals that coming from the broadcast networks. Moreover, cable is moving toward more original syndicatable production (see Chapter 9) even as broadcasting moves away from it. As a result they are now challenging broadcasting for off-network syndication dollars. More importantly, as broadcasting has moved more and more into programs with no afterlife, and as they have continued to push half hour sitcoms for the syndication market, cable has begun to take over the international market.

The Scandals

When we talk about broadcast television, we are really talking about one small part of five giant entertainment monopolies that use their airwaves to endlessly cross-promote the various parts of their businesses, to influence government and, when possible, to swallow or defeat competitive threats. The network morning shows have become thinly disguised vehicles for promoting the parent company's prime-time and cable interests. The magazine business is obsessed with promoting the latest stars, newest series, and happenings on the company's cable and broadcast networks. Even the venerable *60 Minutes* finds it an absolute necessity to interview the latest author from Simon & Schuster, owned by CBS. (To this day, few people realize the publisher and CBS are actually part of the same company, just as few of you students realize many of your expensive textbooks (but not this one) and *60 Minutes* come from the same company.)

They all do it. Fox News runs the latest results from *American Idol,* a FOX reality show, as if they were the news equivalents of another war, and virtually every FOX news personality just happens to have a book, which he or she mentions constantly, and which just happens to be published by HarperCollins, a News Corp-owned publishing house. NBC hypes government proposals as if they came from Heaven itself—as long as there's a contract in it for GE. ABC news shows endlessly hype the goings-on at Disney, and CBS loves to work stars, who just happen to be in the latest Paramount picture, into their top programs.

In 2006, this cross-promotion resulted in a disaster for FOX when the public responded with outrage over O. J. Simpson's book on "here's how I would have committed the murder if I had done it." The reaction grew so loud it forced the cancellation of the book deal, a primetime "news" special interview, and resulted in the firing of a well-known editor at HarperCollins (owned by News Corp). CBS executives breathed a sigh of relief as people forgot about their 2004 Super Bowl costume malfunction, about which the official line still remains "we knew nothing."[1]

In 2010 NBC got embroiled in the Leno/O'Brien late-night debacle (see Chapter 7), and in 2011 they were caught censoring the words under God from the Pledge of Allegiance at the start of the Davis Cup. In each case, there is little doubt that both the industry and Hollywood were truly shocked by the public's reactions. Why did uproar happen over these network programming disasters? The answer is they affected the few truly legendary shows still left on the networks. These bad decisions caught the population's interest and forced them to come face-to-face with what mainstream television had become. They didn't like it.

Vertical Integration

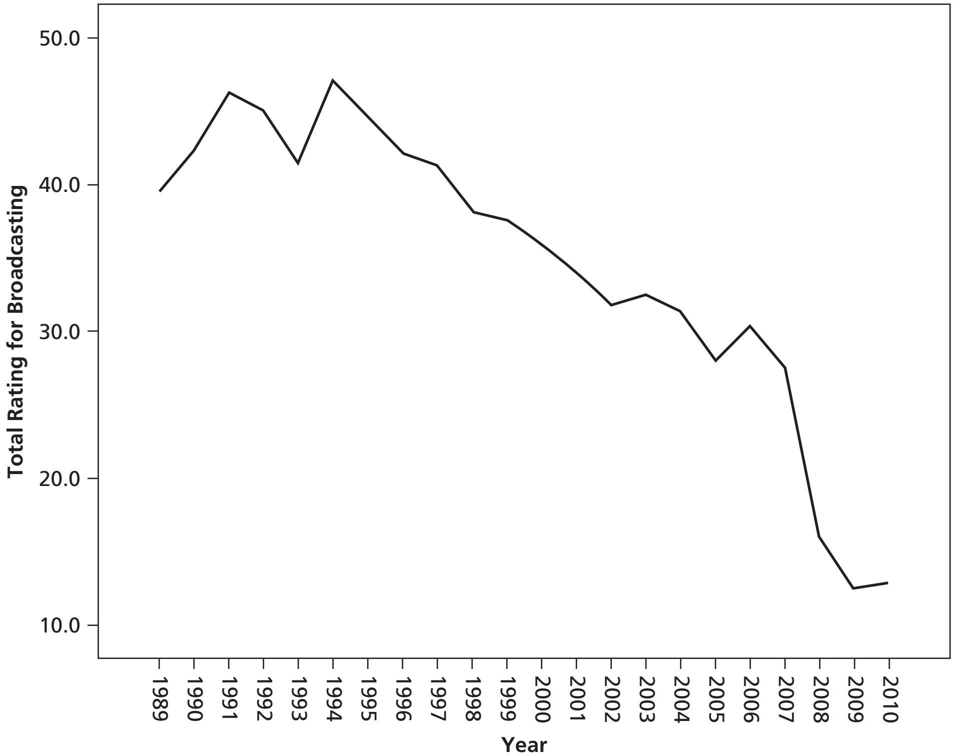
During the 1980s and 1990s, broadcast ratings fell. Stockholders panicked, and the networks were sold to other companies, which themselves were then taken over by giant international entertainment corporations. Although the giants became more and more powerful, they could not stop the ratings slide (see 2.2).

Faced with eroding audience shares, declining revenues and increased competition for viewers (often from other parts of their own companies), in the late-1990s the broadcast networks turned to the Federal Communications Commission. In response, in the 1996 Telecommunications Act the FCC relaxed many of the rules governing broadcasters. The most dramatic changes in regulations affected ownership, eventually permitting the networks to *own* stations reaching 35 percent of the population. Further FCC relaxation on ownership or the granting of exemptions has continued since that time allowing more cross ownership (owning radio stations, other TV stations, print interest and so on). With this enormously increased potential clearance for each network's programs (unlike affiliates, owned-stations can't decline any network programs, no matter how poorly some are doing), combined with the power of affiliation and very deep corporate pockets, the Big Four quickly took over the best stations in the top markets.

Moreover, the FCC also removed program ownership limits (the so-called *financial interest rules*), thus permitting the networks to actually *own* the programs they broadcast. The networks then used their clout to put an end to most independent production houses, eliminating competition and becoming, as never before in the history of electronic media, the true producers of their programs. *Thus, most of the programming process, from **production** of programs (by owned studios) to **distribution** via the broadcast or cable network through owned stations and cable systems or through the web-through owned web sites, to **publicity** from the TV and online units that promote everything, is largely controlled by a few enormous companies.*

Being vertically-owned limits what programmers can do. For example, each network increasingly feels pressure to program with series owned by its parent company even if those programs don't work. By 2004, no programs were aired that the networks did not at least partially own. Indeed,

2.2 Graph of Network Ratings



This graph shows the total ratings for all broadcast networks from 1989–90 to 2010–11. FOX was added in 1990–91. UPN and WB were added in 1994–95 and the Spanish language networks were added in 2006–07. For ratings by network see table 2.4.

in an ironic turn of events, the production arms of the Big Five companies (particularly that of Time Warner, which was strong in production but much weaker in distribution) were complaining that other members of the Big Five wouldn't even look at their proposals for new shows until they had been given a share of ownership. One outcome was that Time/Warner partnered with CBS to create the CW to gain access to the CBS network.

Problems arise when business decisions made by the parent corporation fail to adequately consider their impact on the television network (see 2.3). In recent years, FOX and ABC have been in several clearance fights with large cable or satellite systems over rights payments and over which other company-owned networks would have to be carried. These battles actually resulted in one or both of these two major broadcast networks being pulled off the air for a short time in some areas, with devastating results for short-term ratings and advertising revenues, as well as for long-term audience sizes. Then, over the New Year's holiday in 2010, News Corp went to the mat with Time/Warner cable over retransmission fees paid to run Fox O&O stations in nine major markets, even going off the air for a time. Time/Warner soon agreed to significantly higher fees. Suddenly there was a new standard and the other major companies wanted in. The allure of an extra one to two billion dollars in "found" money was just too great, even though it may mean even further erosions to their audience.[2]

Even worse, the entire industry seems bent on self destruction. In the face of massive declines in the audience, both unions and stars continue to demand ever-increasing salaries. A look at the network ratings in 2.3 indicates that the networks did not recover from the writers' strike that affected the 2008–2009 season. (*One axiom of programming is that loyal viewers who are forced to change their viewing habits rarely change back.*)

But the unions aren't the only problem. Back in 2003 it was huge news when NBC agreed to pay each cast member for *Friends* a million dollars an episode just to keep them for one more year. At the time, original episodes of *Friends* had rating of about 15. More recent problems with Charlie Sheen of *Two and a Half Men* revealed that he was being paid $2 million an episode, plus his share of syndication revenue and whatever other perks he contracted, but *Two and a Half Men* was only getting about a 4 rating, and that's less than half what the show was getting only a few years earlier. While it may have been the number one sitcom in the country just then, that is more a sad comment on situation comedies ratings than praise of the show.

As far as the major broadcast networks are concerned, production costs have just gone too high, which is one reason the cable networks are moving in fast on original production (see Chapter 9). They can do the same show for a fraction of the cost because salaries are lower (cable networks are exempt from many union rules) and they seldom produce their shows in Los Angeles.

Diminishing Audiences

As 2.3 shows, American broadcast network ratings have been falling over the last two decades. Indeed, the average primetime rating in 2011 was 2.9 for the broadcast networks (FOX highest at 3.8 and NBC lowest at 2). Indeed, by mid-decade, cable's collective ratings in prime time had passed those of the combined broadcast networks. By 2011, individual cable programs carried in prime time—like *Jersey Shore, Bill O'Reilly, True Blood, Deadliest Catch* and others—were beating competing network broadcast shows in the ratings, as were such Spanish language programs as *Sabado Gigante*, Univision's highly rated variety series, and *Soy Tu Duena* (Women of Steel) its top rated novella. Removing such megahit shows as *CSI* and *American Idol* from the analysis would drop the average ratings even further. It's easy to understand why problems with just one show, such as *Two and a Half Men* at CBS or the end of *Smallville* on CW, can throw an entire network into panic.

The Prime-Time Advertising Game

Traditionally, *prime time* has been the financial jewel in the media crown, pulling in billions of dollars each year for the networks. Until recently, the drop in audience size has been compensated for by higher advertising rates, by adding more spots within programs (many prime-time shows now air 20 minutes of ads per hour), and by producing fewer episodes. Increases in advertising rates, as high as 15 percent per year, have not been uncommon, and complaints from advertisers have been shrugged off. Where else can they go?

Most prime-time advertising spots are sold in late May and early June during the up-front sales period. Advertisers guarantee themselves access to top programs or desired time slots by locking them in at least three months in advance. Of course, because the programs have not aired, there are no ratings with which to set prices. Therefore, the prices for ads are based on *estimated* ratings provided by advertising agencies and *guarantees* provided by the networks. If a network does not make the guaranteed rating, it will have to run spots for free until the number of missed points is made up. If a program does much better than predicted, the advertisers get a bargain. The system appears to favor the advertisers, but that is seldom the case.

2.3 Average Prime-Time Network Rating from September to May, 1980 to 2011

Year	ABC	CBS	NBC	FOX	WB/UPN/CW	UNI/TEL
1980–81	18.0	19.0	17.2			
1981–82	17.7	18.5	15.2			
1982–83	16.6	17.7	14.5			
1983–84	16.2	16.8	14.5			
1984–85	15.0	16.5	15.8			
1985–86	14.3	16.0	17.1			
1986–87	13.6	15.4	17.1			
1987–88	12.7	13.4	15.4			
1988–89	12.6	12.3	15.4			
1989–90	12.9	12.1	14.5			
1990–91	12.0	11.7	12.5	6.1		
1991–92	12.2	13.8	12.3	8.0		
1992–93	12.1	12.9	12.0	8.1		
1993–94	12.1	11.7	10.3	7.1		
1994–95	11.7	10.8	11.5	7.1	1.9/4.1	
1995–96	10.5	9.6	11.6	7.3	2.4/3.1	
1996–97	9.2	9.6	10.5	7.7	2.6/3.2	
1997–98	8.4	9.7	10.2	7.1	3.1/2.8	
1998–99	8.1	9.0	8.9	7.0	3.2/2.0	
1999–00	9.3	8.6	8.5	5.9	2.6/2.7	
2000–01	8.4	8.6	8.0	6.1	2.5/2.4	
2001–02	6.3	8.1	8.8	5.7	2.5/2.7	
2002–03	6.0	7.9	7.4	5.8	2.5/2.2	
2003–04	5.9	8.5	7.3	6.0	2.5/2.3	
2004–05	6.4	8.4	6.6	5.3	2.4/2.3	
2005–06	6.0	7.3	5.8	5.5	1.9/1.5	
2006–07*	6.2	7.8	5.7	6.2	2.0	2.0/0.5
2007–08	5.7	6.4	5.1	6.4	1.6	1.8/.6
2008–09†	2.9	3.1	2.8	3.6	.9	2.0/.7
2009–10	2.4	3.6	2.5	2.9	**	1.1/**
2010–11	2.3	3.6	2.0	3.8	**	1.2/**

Note: The chart combines ratings for ABC, CBS, NBC, FOX, CW, UNI and TEL in the September to May season years when they were operating with a rating above 1. The FOX network started broadcasting before 1990, but for the first few years its ratings were not reported in the trade press. Similarly, Univision and Telemundo were not included until 2007. At present, CW, Telemundo and MNTV get ratings of less than 1 (as small as .4 or .3) and shares of just 1, so they fall within Nielsen's margin of error and are not reported.

*WB and UPN were combined, for the most part, into CW in 2006.

†This season involved a writers' strike that affected the numbers

**Ratings dropped below 1 and were not reported.

2.4 Owners and Audits

A recent event illustrated how corporate profits can dominate the business decisions of subsidiaries. According to trade reports, Peter Jackson, internationally recognized for his *Lord of the Rings* movies, broke off relations with New Line Cinema, a Time Warner company, and would not participate in a New Line Hobbit prequel because Time Warner refused to permit an independent audit of the reported $4 billion income from the *Lord of the Rings* trilogy. This ended production until New Lines' options on the Hobbit ran out because, without the New Zealand production facilities, it was too expensive for New Line to do.

It is widely believed that New Line was only allowing companies that its parent owned to bid on such things as foreign distribution, broadcast and cable rights, DVDs, merchandising and so on. For the parent company, such arrangements provide a great advantage: All profits come to it, and money can be moved around so that taxes are lessened. The difficulty is that for independent producers such as Peter Jackson, this closed bidding practice costs tens of millions of dollars. In short, rather than allow the audit, New Line was willing to forgo a potential hit movie worth billions.

More recently, the producers of *Smallville* have been locked in legal battles with the CW. They claim the CW is giving Warner Brothers-owned stations and other Warner Brothers affiliated entities special deals for very low prices on *Smallville*, thus cheating the producers out of millions in profit sharing. However, insiders say this is just how things are done these days. In an ever-narrowing market, both in terms of product and competition, pressures come from all sides. No one part of the company is allowed to threaten the overall bottom line, even if that means massive losses in revenues for individual parts of the company or squeezing other people involved with the project even when the company must work with them in the future.

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In actual numbers, although the ratings look small, each point represents a percentage of the 116 million television households in America (as estimated by Nielsen in 2012). Thus, a 2.4 rating stands for about 2 million households, each with an average of 2.6 people viewing. Even a rating as small as 2.4 means the program is attracting 6 to 7 million people at one time. Such ratings are sufficient for many advertisers and still better than average cable programs earn, but the biggest advertisers are getting nervous as they also have to pay a lot more for broadcast programs than for cable programs.

The ability to predict ratings is weak at best, and the networks tend to be very conservative in their guarantees. For the last few years, the networks have further protected themselves by refusing to sell the top-rated shows except as part of package deals. In other words, if sponsors want to buy time in a program like *The Mentalist* or *The Good Wife*, they also have to buy time in much weaker shows. In this way the networks assure the sale of time slots that might otherwise be left open. Of course, this means the sponsors have to take programs they don't really want and spend more than they would if they just bought the strongest shows. Although sponsors object, they continue to buy just as they always have. After all, where else are they going to go?

Until recently, that "where else?" question ended all discussion. It has always been easier for the advertising industry just to do what has always been done. For 20 years the compensation rates for the agencies placing advertisements declined steadily (from around 15 percent in the 1980s to the low single digits), giving them no incentive to make extra efforts.

As audience size continued to decline and network ad rates skyrocketed, however, the corporate sponsors themselves began to get back into the act. During the 2004–05 season, many of the biggest sponsors refused to go along with network attempts to make double-digit increases in advertising rates, forcing the broadcast networks to drop increases back to 6 to 8 percent. For the first time in that season, almost half of all prime-time slots had not been sold by the end of the up-front sales period, and cable and the internet reaped the benefits. The networks haven't forgotten this scare.[3]

In 2008 top advertisers refused to pay ABC, CBS and NBC a so-called integration fee of $125 million on top of whatever prices they had negotiated during the upfront sales period. Advertisers pointed out this fee made sense when someone had to physically insert ads into programs, a practice that no longer existed (and a fee that FOX, the CW and cable networks did not charge[4]). Advertisers also continue to object to the practice of calculating the ratings by totaling "live plus three days," a practice that drives up their costs (see Chapter 5). Both FOX and the CW are moving toward more integrated ads, in other words, product placement deals, and ABC and CBS are beginning to test the waters.[5]

Moreover, cable networks and the internet are no longer the only real competitors for advertising dollars or for content. Much of the challenge for advertising revenues seems to be coming from cash-plus-barter syndication deals (discussed in Chapter 6). Some syndicated programs outdraw most network shows, and the prices they can demand from the spot ad market reflect that power. By mid-decade, the syndicated *Friends, Seinfeld,* and *Two and a Half Men* pulled more than $200,000 per 30-second spot, and several others drew at least half that amount (see 2.4).

Advertisers must also deal with the new nontraditional ways of obtaining programming. For years broadcasters took comfort in the fact that they were free while all alternatives cost a lot. As the alternatives begin offering more choices and services than broadcasting, the industry quickly learned that many people were willing to pay for what they wanted (see 2.5).

In short, networks are no longer the economic powerhouses they once were, but the profits for their parent companies keep growing because they own most of the alternatives. Nonetheless, concern about program production is mounting. So far, the broadcast networks are still expected to produce the original programs that then feed the rest of the system. But as networks rely more and more on cheap reality programs, the pool of programs with an afterlife dries up. Many reality shows can't be syndicated, can't be rerun on the air, can't be sold overseas or online, and have no value as DVDs. Once viewers know who won, they don't want to see the shows again.

FOX, however, figured out how to make extra money from the reality show *American Idol* and used the process to justify the cost of producing *Glee.* This new method is separate from traditional advertising or syndication revenues. *American Idol* gives massive promotion to singers (often several people going into the finals—not just the winner) who are then signed by Columbia Records, with whom FOX has a profit-sharing deal. These singers then go on tours using FOX-owned promoters with audience tickets sold through FOX-owned outlets. Much the same is true for *Glee,* which by all previous standards should be too expensive to be

2.5 Cutting the Cord

Wired Magazine compared the cost of the internet television with traditional TV (by which they meant signals delivered via cable or satellite). To equal the cost of cable or satellite, they calculated that the average person dropping cable or satellite would need a digital antenna to get broadcast stations ($50), Hulu ($119.88 per year), Joost, YouTube, TV.com, network Web sites (free), Netflix instant ($107.88 per year plus a Roku box at $79.99), and Apple TV or Amazon Video on demand ($229 for the Apple box, $1.99 per-show for average definition programs; for hi def, the authors figured $517.40 per year for one show per week night). The savings to move from cable/satellite TV to internet TV was $360 to $540 (depending on whether one was replacing satellite or a cable premium package) during the first year and $720 to $900 per year thereafter. Cutting the cord sounds like a good deal for savvy viewers, but what do advertisers and broadcast networks do then?*

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**Wired Magazine, Sept. 2010, "Wired's guide to picking your perfect tv setup." Wired.com/magazine/2010/08/ff_howto_watchtv/*

produced for television. But, not only does it produce top numbers (relatively speaking) with 18 to 33 year olds, it's also a hit in DVD sales, sales of recordings by the cast, tickets to cast tours, in internet sales of the production numbers (which can be downloaded after each show for a nominal price), and online sales of re-viewings of the episodes.

While these moneys don't go directly to the FOX network, they do go to News Corp thus making both shows worthwhile investments. As an added bonus, the other networks can't rush into production with *Glee* knock-offs as there are very few people in Hollywood who know how to do musicals anymore. After all, it was assumed to be a dead format. *This practice of creative aftermarket selling of a program and its participants suggests one profitable direction for broadcasting's future.*

In addition, too many spots in breaks and high ad rates have caused a rethinking among advertisers, and the result has been an enormous increase in *product placement* within programs on FOX and the CW. Product placement was standard practice in the early days of television, and it has been a big moneymaker in movies ever since ET followed that trail of Reese's Pieces. Cable networks have aggressively sought out companies to place their logos or products in prominent positions on original cable shows. But until recently, the broadcast networks were reluctant to follow the trend, calling it demeaning, and claiming it cheapened the value of the traditional spot advertisement and could possibly raise legal issues.

The smaller networks, however, with less to lose given their lower ratings, were willing to try. Soon, the cast of *Buffy the Vampire Slayer* was not only drinking but also mentioning Coke products, and a yellow VW was prominently featured in *Smallville.* As the money began to roll in, the traditional networks wanted a piece of that action, and soon brand-name products were appearing everywhere *except* in ABC, CBS and NBC's prime-time shows. Product placement became so common that Nielsen Media Research launched a new service in 2004 called Product Placement Measurement to allow subscribers to track their products and those of their competitors through various TV shows.

Also, product placement began to affect program content. Sears, while not the actual producer of *Extreme Makeover: Home Edition,* did make a huge investment, in return for which the reality show prominently featured Sears products in their makeovers. As a result, in the 2011 sweeps, *Extreme Makeover* ranked number 5 for product placement with 45 occurrences—still minimal compared with *American Idol's* 102 occurrences (it was number 1 in product placement according to Nielsen).

Perhaps the most interesting development, however, was illustrated by a deal TNT made to insert products into reruns of *Law & Order*. Generic products were digitally replaced with brand names that paid for the privilege. Sometimes described as *virtual advertising*, this is the next logical step in computer-generated content. Already widely used in sporting events, virtual ads do not require the actual placement of a physical product. The advertisement exists only in the computer.

With virtual ads, advertisers can aim their messages to specific markets. For example, Coca-Cola now pays to have the judges on *American Idol* drink their product. But through the use of virtual ads, in New York those judges could be drinking Vanilla Coke, while in California they sip Caffeine Free Diet Coke, and in the South it might be Classic Coke filling those glasses. The same process can be used to replace the generic products shown in older TV shows with high-paying brand names. Of more concern to advertisers is the fact that the same process can be used to replace an existing brand name with a higher-paying competitor. In the past, product placement was forever. No more. If Coke won't kick in more money, the stars may be drinking Pepsi in the reruns and Dr. Pepper on the DVD. The maker of M&M'S could finally correct its earlier marketing mistake and have ET follow their little chocolate product instead.

The *multiplatform strategy* was the next response to declining advertising revenues. The networks began distributing their most valuable properties across many media, packing the additional ad time—at high rates—with broadcast. Advertisers who wanted mass network exposure were then forced to develop plans for internet, cable, tablets and even iPod media. Beginning in 2008, CBS and NBC also began demanding that out-of-home viewing be counted and began placing dedicated screens in unusual places. By 2011, NBC had partnered with IdeaCast which has TV screens in over 900 health clubs and with the University Network which is on 181 college campuses. Similarly, CBS purchased SignStory outright, which operates screens in 1,400 grocery stores and partnered with Ripple which has 1,500 screens in specialty retail locations like Jack in the Box, and aligned with Automotive Broadcasting which provides screens in car dealerships.[6]

In 2010 ABC, CBS and NBC joined FOX and CW in moving production of their non-sitcom pilots out of California. Film L.A., which tracks production, noted a 42 percent drop in pilot production between 2005 and 2009. That didn't mean fewer pilots were being made; they just were not being made in California. By 2011, Los Angeles and the state had declared "runaway" productions a crisis, while Las Vegas was announcing plans to build a studio. This represents a loss of $100 million dollars to the Los Angeles region alone. The reason the production is moving out is simple: Costs drop dramatically. Not only do productions get out from under strict union rules, but they also get a 10 percent to 25 percent reduction in taxes.[7]

While ABC, CBS and NBC have only moved pilot production away, FOX, CW, Univision and Telemundo also moved actual series production out. While California is suffering a financial crisis, production in areas like Hawaii, Florida, Colorado and Chicago is booming. Canadian and Mexican studios are running at capacity. Univision and Telemundo have massive production in Miami and in Mexico; most of it is original programming, which they now syndicate to Spanish-speaking countries instead of just buying programs from them.

2.6 The Aging Audience

Ironically, network audiences are aging, far beyond what most can imagine. As of 2010 (the latest published numbers), these were the median ages of network viewers:[9]

CW	34
FOX	44
ABC	51
NBC	49
CBS	55
Univision	34

Such aging scares network executives because the trend potentially affects advertising revenue and the viability of many kinds of programs. One response has been to focus on the ratings for certain desirable segments of the audience. The few youth-oriented programs being offered, such as *Glee*, get lots of hype. Even supposedly "young shows" often aren't: The median for *Two and One Half Men* is 50 and *Dancing with the Stars* is 60.

Audience Targeting

In 2003, James Poniewozik, writing for *Time* magazine (owned by Time Warner), noted the falling numbers for broadcast television and asked, "Does the mainstream still exist?"[8] He might better have asked whether the networks would know the mainstream if they were drowning in it (see 2.6). For the last 30 years, the broadcast networks have relentlessly pursued one segment of the audience to the exclusion of other television viewers. Programs have been targeted toward the younger, more urban audience in the major population centers—matching the coverage area of the network owned-and-operated (O&O) stations—and away from the more thinly populated rural markets where the networks have no direct ownership interests.

Ideal Demographics and Flow

When NBC programming head Paul Klein first proposed the concept of ideal demographics back in the early 1970s, he believed the networks could go after his so-called ideal demographic group without losing the rest of the audience because at the time it was widely agreed that people watch television, not shows. In a three-network era, Klein reasonably assumed that viewers were forced to stay with one of the networks, so why not go after the most desirable audience? To Klein, that meant urban women 18 to 34 years of age. He believed they were the most susceptible to advertising and controlled the economy. They were also, it was claimed, the largest segment among the many demographic divisions.

When faced with critics who pointed out that the over-50 crowd had more money and that the potential television audience consisted of as many men as women, Klein simply dismissed the older audience as too set in its ways (to respond to advertising) and dismissed men as non-shoppers. Almost at once, there were signs he might be wrong. The year CBS and NBC introduced ideal demographics to the schedule, their ratings plunged, and ABC found itself in the unaccustomed position of being Number One. Klein thought that just proved his point. The audience hadn't left; they had just changed channels.[10]

By the mid-1970s there were clear signs of audience erosion. The networks denied it, claiming methodology errors in the ratings. By the mid-1980s there were no more denials. What had been a trickle was now a flood. Broadcasting was hemorrhaging viewers, largely to cable. As the audience got smaller, the ideal changed slightly and shifted to consist of urban women 25 to 49 years (all races). By 2004 "women" had been dropped from official statements, but many argued that it was still understood. When network ratings showed a massive loss of male viewers during the 2003–04 season (a combined broadcast network loss of almost two million men a night), advertisers weren't surprised. To paraphrase what they told the reporter, "What are the networks offering that men would want to watch?"[11] Indeed, targeting Klein's ideal audience had produced a programming "gender gap" between male and female viewers.

More recently the press has complained about a liberal versus conservative political gap in network programming.[12] Moreover, the assumption that younger women control shopping could now be challenged by a trip to any supermarket.

An obsession with 18- to 49-year-olds, called "the most desirable audience" or "the audience most demanded by advertisers," applies to cable and syndication as well as to broadcasting. A programmer for E!, for example, when commenting on its generally low numbers said, "I could create a stunt pretty easily that would pop a household rating, but I would bring in people my parents' age."[13]

Many syndicators seek the younger 18 to 34 audience, particularly for their daytime programming, even though this demographic group is practically nonexistent during daytime hours and not what many sponsors want. When ABC announced the cancellation of their soap operas in 2011 and replaced them with talk programs, sponsors pulled out en masse, pointing out if they wanted talk audiences, they'd have bought talk shows in the first place.

When asked about the popularity of reality shows, Betsy Frank, executive vice president of research and planning for MTV and one of the most quoted professionals in the business, pointed to the appeal to young audiences. She went on to argue that the ideal MTV viewer should be under 25. She pointed out that this group represents 70 million people, only 7 million fewer than the baby boomers.[14] It is ironic to note that MTV itself pulls ratings of only about 1 in this group, implying that only about 1 million of those 70 million potential viewers actually watch MTV.

At the broadcast network level, the programmers argue they know that targeting the ideal demographic group creates problems, but they have little choice because most advertisers demand this audience. ABC and NBC claim that two-thirds of all prime-time advertising money is spent on this group. Of course, this argument is a little like ESPN looking at its advertising and claiming advertisers only want sports. Realistically, what else could they buy on prime-time broadcast networks?

To be fair, CBS argues the ideal should be higher, 25 to 54 years to be exact (which happens to be closer to their audience demos), and FOX argues that 18 to 34 year old urban men should be included (a group they just happen to appeal to), but advertisers argue that the question itself is wrong. It may be that any demographic approach is outdated because so many companies now use *psychographics,* or lifestyle data, to target ads—not just age, sex and ethnicity.

Aside from a program's demographics, the networks look for *audience flow* from program to program. Each network hopes to capture and hold the largest possible adult audience, especially from 8 P.M. until 11 P.M. or midnight, with a recent emphasis on late-night offerings (a time period which draws a much larger percentage of young people). Network strategies are usually directed at achieving *flow-through* from program to program within prime time—that is, encouraging the audience to continue to watch from show to show, although this tendency grows weaker as the number of program options increase and as the hour gets later. *Networks continue to try to produce flow by careful scheduling, such as placing programs with similar story lines one right after another, although remote controls, digital guides, too many options and DVRs make flow-through difficult to achieve.* Nonetheless, virtually all traditional scheduling strategies have been designed to maintain this flow.

Classic Scheduling Strategies

Programmers believe that surrounding a newcomer with strong existing shows ensures the best possible opportunity for the newcomer to rate as high as the established hits. Several strategies have long been used to achieve protection for new and underperforming series. About a dozen strategies now dominate prime-time scheduling: anchoring, leading-in, hammocking, blocking, doubling, linchpinning, bridging, counterprogramming, blunting, stunting, supersizing, seamlessness, rotating and sampling.

Several of these protect new programs, others build flow or challenge competitors. While many years of practice have shown the usefulness of these strategies, they are becoming much less practical as they depend on a reservoir of strong, established series, and broadcasting now has very few of these available.

1. **Anchoring Strategy.** All schedulers use the strategy of beginning an evening with an especially strong program, the anchor show. Also known as the *lead-off*, this first prime-time show sets the tone for the network's entire evening. It is believed that this maneuver can win or lose a whole night and thus affect the ratings performance of a full week. *Programmers have traditionally believed that the network winning the ratings for the first hour of prime time also usually wins the entire night.*

A strong lead-off used to be considered so important that the major networks routinely moved a popular established series into the 8P.M. (EST) position on every weeknight, even if it meant raiding, and thus weakening, strong nights to get proven shows for lead-offs. A classic example occurred in 2003 when the WB moved *Smallville* to the first spot on Wednesday and on Sunday to shore up those nights, while FOX in 2010 put *Glee* as the lead-off to Tuesday, moved *House* back to the lead-off position on Monday and used *American Idol* as the lead-off on several days of the week.

As ratings continued to slide, fewer successes remain to move around, making this strategy fade in importance on most networks, even though their programmers continued to express faith in it. By 2007, NBC was scheduling cheaper scripted or reality shows to lead-off prime time; inherently, such shows are low-rated, at least to start, and thus would provide no lead-off power. At the same time, however, FOX led off Mondays with its hit *Prison Break,* and CW led off Thursdays with the strong *Smallville,* using these as evening anchors. CBS uses its many versions of the *CSI* franchise in a similar way.

2. **Lead-in Strategy.** Closely related to the lead-off or anchor show, the *lead-in* strategy places a strong series before a weaker (or any new) series to give it a jump start. Theoretically, the strong lead-in carries part of its audience over to the next program. A new series following a strong lead-in has a modestly better chance of survival as compared with a new series with no lead-in or a weak lead-in. To get a strong lead-in, the networks often shift strong series to new nights or times. No show

is safe in any schedule position, as *King of Queens* and *Becker* found out when they were moved from their strong Monday slot to act as lead-ins for the short-lived *The Brotherhood of Poland, N.H.,* and subsequently sagged in their ratings.

3. **Hammock Strategy.** Although scheduling strategies can help bolster weak programs, it is obviously easier to build a strong schedule from a strong foundation than from a weak one. Moving one of a pair of established series to the next later half hour and inserting a promising new program in the middle time slot can take advantage of audience flow from the lead-in program to the rescheduled familiar program, automatically providing viewers for the intervening series. This strategy is known as *hammocking* the new series—in other words, a possible audience sag in the middle will be offset by the solid support fore and aft (also called a *sandwich,* with the new show as the filling).

The 2003–04 season provided a classic hammock example with *The Apprentice* shoved between *Friends* and *ER*. Hammocking is one strategy that continues to be effective, but it can provide misleading information on the strength of the center show. For example, much was made at the time of the relatively high ratings for *The Apprentice,* but in truth, even in its protected spot, it lost almost 4 points compared with the *Friends* lead-in and 2 points compared with *ER*. Moreover, when moved to the unprotected Wednesday night slot, it dropped into the bottom third of the ratings. Hammocking guarantees a new series will get sampled, however, which automatically gives the new show a better chance. *The Apprentice*, slightly revised into *The Celebrity Apprentice,* and protected initially in a hammock, became one of NBC's few successful shows. This strategy, however, presumes a network has enough strong shows to create hammocks, an assumption that is increasingly rare.

4. **Blocking Strategy.** By 2011, this was the most used, albeit least effective, of all programming strategies. *Block programming* or placing a new program within a set of similar dramas or sitcoms filling an entire evening (or at least 2 hours of one type) is a venerable and respected practice.

The *theory of blocking* is that an audience tuning in for one situation comedy will stay for a second, a third and a fourth—if the sitcoms are of the same general type. The first show in a group usually aims at young viewers or the general family audience. Each ensuing series then targets a slightly older audience, thus taking advantage of the fact that as children go to bed and teenagers go out or do homework, the average age of the audience goes up. Blocking works best during the first two hours of prime time but typically loses effectiveness later in the evening.

Traditionally, the only risk was believed to be that a new comedy might lack the staying power of its "protectors" and damage the program that follows. Today we know there are other risks such as *burn out*: So many programs of the same type that people get sick of the whole genre. We also now know that when broadcasters place too much reliance on just a few types of programs, the cost of those shows goes up dramatically. When Paul Klein declared no real need for variety back in the '70s, and that the networks could just concentrate on sitcoms and crime dramas, then the cheapest programs to produce that could still pull large audiences, he believed that the cost of production would go down. But costs went up. By the 1980s, half-hour sitcoms cost more than either westerns or science fiction hours. We now know that any time the networks rely heavily on any one genre, its cost skyrockets, making this a dangerous strategy in more ways than one.

Examples of blocking (also called *stacking*) are easy to find in prime-time schedules every year on all the networks. During the 2006–07 season, FOX formed a successful animated/family sitcom block on Sundays of *The Simpsons, American Dad, Family Guy* and *War at Home,* which is still mostly in place five years later. Recently, the networks have blocked hour-long dramas, games and reality for whole evenings—for example, CBS's *NCIS* to

NCIS: Los Angeles to *unforgettable* on Tuesdays or FOX's *Prison Break* to *House,* two cult hits one after another for a time.

5. **Doubling Strategy.** One hot trend, now that networks have fewer hit shows to work with, is creating blocks using the same show, running episodes of the same sitcom one right after the other. Called *doubling,* it started with FOX, which ran *Cops,* followed by *Cops*—and then finished the block with *America's Most Wanted.* In 2005–06, ABC doubled *Lost* on Wednesdays, while FOX doubled *That 70's Show* and NBC doubled *Scrubs.* By the next season, the CW was doubling *Reba* all across the schedule.

Since networks don't increase the number of episodes produced, the negative byproduct is that a much-doubled show must go into reruns even sooner—which can easily trigger burn out. ABC found this out when it overused *Who Wants To Be A Millionaire*, and it was also the case with *Deal Or No Deal*, *Are You Smarter Than A Fifth Grader* and the *Law and Order* franchise. Even at this writing, the powerhouse *CSI* variations are dropping in the ratings for the entire franchise.

One variation is to run an old episode followed by a new episode. By mid-decade, hit comedies, reality series and even a few hour-long dramas were being doubled and even tripled as with *Terra Nova*. Another variation involves stripping episodes on different nights like a miniseries. This has become a common practice with short-run series like *American Idol*, *Dancing With The Stars*, *Survivor* and *The Bachelor*. Shows such as *According to Jim, Extreme Makeover, Deal or No Deal* and *Arrested Development* have appeared night after night, but usually for just a few weeks at a time. Copying cable networks like USA, TNT and A&E, the broadcast networks occasionally turned an entire evening over to one show, as ABC did sporadically with *Desperate Housewives* and CBS did with the original *CSI*.

6. **Linchpin Strategy.** Most scheduling strategies rely on having enough strong programs around which to build a schedule for new series. However, with fewer and fewer real hits, the networks have had to find ways to use the few strong shows still left to them. This is one of those ways. Also known as *tentpoling,* the network focuses on a central, strong show on weak evenings, the *linchpin,* hoping to use that show to hold or brace the ones before and after it. This strategy was the basis for NBC's move of *Law & Order: SVU* to Saturday nights and CBS's move of *Cold Case Files* to 9:00 on Sundays. These moves also formed blocks, an added bonus, and demonstrate that scheduling strategies are often combined. NBC's shift of focus to its 9:00 shows—away from 8:00 anchors—exemplifies the use of linchpins.

7. **Bridging Strategy.** The bridging strategy is not as common in commercial broadcasting as the other strategies, but it has been useful to public broadcasting and such cable networks as TBS and HBO. *Bridging* has three variations. The best-known one is the regular use of long-form programs (one-and-a-half hours or more) that start during the access hour and continue into prime time, thus running past the broadcast networks' lead-offs and negating their strategies (for viewers who might have changed channels). HBO, for example, often schedules a hit movie starting at 7 or even 7:30 P.M. (EST) to bridge the start of network prime time.

The second variation of bridging involves starting and ending programs at odd times, thus causing them to run past the starting and stopping points for shows on other networks. This creates a bridge over the competing programs, which keeps viewers from switching to other channels because they have missed the beginnings of the other shows. For example, TBS regularly starts its programs at 5 minutes after the hour. As a result, TBS viewers are forced either to watch the next TBS show or tune into another program already in progress.

CBS has used the bridging strategy successfully in its Sunday night lineup. The network regularly runs Sunday football games (or other sports) beyond the hour point, thus throwing the rest of the night off by about 10 minutes. This means that the audience that watches *60 Minutes* is stuck with CBS for the night. NBC and FOX have copied this practice with their Sunday afternoon sports broadcasts. The alternatives for viewers are to leave a show before it is over or to tune in to the competition late.

A third variation on this strategy involves scheduling half-hour shows against hour-long shows on the competing networks. FOX, by placing a strong show like *King of the Hill* first, forced the audience to watch the weaker *Oliver Beene* or tune into the middle of hour-long programs on the other networks. The risk is that viewers may go to cable or turn to the DVR. Modern viewing habits, split screens and digital guides have further weakened this strategy as many people now watch more than one show at a time, just switching back and forth when something exciting seems to be happening.

8. **Countering Strategy.** The networks also schedule programs to pull viewers away from their competitors by offering something of completely different appeal than the other shows, a strategy called *counterprogramming*. For many years, for example, ABC successfully countered the strong, women-oriented series offered by CBS and NBC on Monday nights with *Monday Night Football*—until 2006 when the games went to ESPN. To counter *Desperate Housewives* and *Cold Case Files,* NBC introduced *Sunday Night Football.* ABC clearly counterprogrammed CBS's *Survivor* with *Ugly Betty.*

Traditionally, counterprogramming challenged the ideal demographics approach because it relied on finding a large, ignored group of viewers and scheduling a program for them. In the late-2000s, the CW was countering the older networks by programming for teenage women, while FOX programmed for young urban men. Univision counterprograms the English-language networks by stripping three shows, *Heridas de Amor, La Fea Mas Bella* and *Mundo de Fieras,* across the week from 7 to 10, Monday through Friday, then varying its 10 P.M. and weekend shows. Of course, the mere fact they broadcast in Spanish is a counter to other broadcasters, and puts them in an entirely separate competition group in some markets, although Univision's own data shows many of its shows are watched by sizable non-Spanish-speaking audiences.

9. **Blunting Strategy.** Networks that choose to match the competition by scheduling a show with *identical* appeal are *blunting* the competition. For example, in the 2006–07 season, CBS and NBC ran *CSI: New York* and *Medium* against each other on Wednesdays, and ABC and NBC ran *Grey's Anatomy* and *ER* against each other on Thursdays, in each case effectively splitting the legal-show fans and medical-show fans. Such blunting attempts often don't last long as one show usually proves more popular than the other.

If two networks are already blunting each other, a third network that counterprograms often gets higher ratings than either of the other two networks. In other words, the two networks running similar programs split part of the audience, while the counterprogrammer, in theory, gets everyone who likes its program plus all those who dislike the genre being blunted on the other two channels. One recent example occurred when ABC ran the magazine show *Primetime* against *CSI* and *Medium;* another occurred when CBS ran *Shark* against *Grey's Anatomy* and *ER*.

10. **Stunting Strategy.** The art of scheduling also includes maneuvers called stunting, a term taken from the defensive plays used in professional football. *Stunting* includes scheduling specials, adding guest stars, having unusual series promotion and otherwise altering the regular program schedule at the last minute. Beginning in the late 1970s, the networks adopted the practice of deliberately making last-minute changes in their schedules to catch rival networks off guard. These moves—calculated and planned well ahead of time but kept secret until the last possible moment—were intended to blunt the effects of competitors' programs. Generally such maneuvers are one-time-only because their high cost cannot be sustained over a long period.

Scheduling hit films, using big-name stars for their publicity value, and altering a series' format for a single evening are common attention-getting stunts. *Glee* has provided a number of classic examples: Top musical personalities "drop in" on rehearsals. Such stunts have high promotional value and can attract much larger-than-usual audiences if well promoted. Of course, the following week, the schedule goes back to normal, so these efforts get people to sample shows but rarely create long-term improvements in series ratings.

CBS used another form of stunting when it paid more than $4 billion for rights to sporting events (including Major League Baseball) during the 1990s. This proved to be a financial disaster. Although the network expected to lose money most years, it hoped that the rewards from promoting CBS shows during the World Series and championship games would be worth the cost. Those hopes proved fruitless, and CBS lost tens of millions of dollars with no ratings improvements to show for it.

Investing in popular but unprofitable specials to promote other shows on a network remains a popular form of stunting, however. The Olympics are a perfect example. NBC acknowledged that the money paid for the 2004, 2008 and 2012 Summer Games would be more than it could get back, but it planned to use the games to promote and then lead directly into the new fall season, thus justifying the cost. It liked this arrangement so much it paid $4.38 billion for the next four Olympics (2014 to 2020).

Strangely enough, ABC, which first discovered the real value of sports, has pulled out of most megasports bidding, arguing that the big sporting events have become too expensive to be worth their price tags (although co-owned ESPN put in a losing bid on the 2014–2020 rights). ABC may well have been right because so far NBC's plans don't seem to be working when viewed from outside the network. On the other hand, perhaps NBC's image and ratings would be worse without the Olympics rights!

11. **Supersizing Strategy.** In recent years, the networks have developed a form of stunting used mainly for the sweeps months. This method, called *supersizing*, allows them to pull questionable series off the air without having to find another show to fill their time slots. To fill the time, the network adds length to their biggest hits and advertises them as *specials*. Supersizing is now common for hit sitcoms and reality series, although rare so far for hour-long dramas. Doubling can be considered a similar strategy with the same goal. Networks often schedule the supersized climax of their reality shows to coincide with sweeps weeks.

12. **Seamless Strategy.** In the 1990s the networks turned to still another strategy intended to accelerate the flow between programs. First NBC, followed by the other networks, eliminated the breaks between key programs (*Seinfeld* to *Frasier,* for example). Viewers normally make most use of their remote controls in the two minutes or so that has traditionally occurred between programs, thus running the end of one program right up against the start of the next avoids the opportunity for remote use. This is called a *seamless transition*, and its goal is to keep viewers watching whatever network they began with.

In another twist, ABC (soon copied by the other networks) instructed producers to cut out all long title and credit sequences and to begin every program with an up-tempo, attention-getting sequence. Titles then appear later in a program, some times as much as 10 minutes into the program after viewers have, presumably, been hooked. At the ends of programs, all networks have experimented with split screens and squeezed credits. Originally, some program action (or "bloopers") filled part of the screen to hold viewers' attention right into the next program (or very close to it). However, this space now usually contains ads or promos for the upcoming series. Another variation on this strategy involves running a "next" icon or a promotional crawl for the upcoming series over the last segment of the preceding show. Many viewers find this